

**CITY OF SAN JOSE – ALP
TENTATIVE AGREEMENT***

TERM

July 1, 2013 – June 30, 2014

WAGES

See Attached

AGREEMENT CONDITIONS

See Attached

RETIREE HEALTHCARE

See Attached

RETIREE HEALTHCARE SIDE LETTER

See Attached

SICK LEAVE PAYOUT

See Attached

VISION CARE

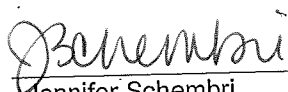
See Attached

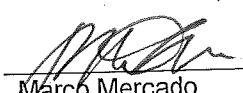
MOBILE TECHNOLOGIES SIDE LETTER


See Attached

** This agreement is considered tentative and shall not be considered final or binding until ratified by the membership and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in this document is not part of the Tentative Agreement.*

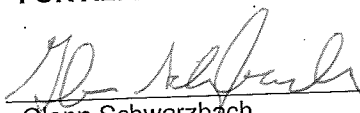
FOR THE CITY:

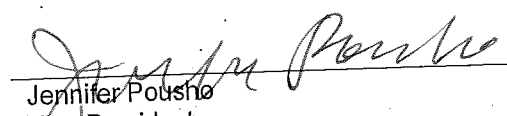
 8/1/13
Date
Jennifer Schembri
Deputy Director of Employee Relations

 8/1/13
Date
Marco Mercado
Senior Executive Analyst

 8/1/13
Date
Kakshi Master
Executive Analyst

FOR ALP:

 8-1-2013
Date
Glenn Schwarzbach
ALP

 8/1/2013
Date
Jennifer Pousha
Vice President
ALP

CITY PROPOSAL – WAGES

Proposed Language:

ARTICLE 9 WAGES

- 9.1 Effective June 23, 2013, all salary ranges for employees holding positions in classifications represented by the Association shall be increased by 2%.¹ This will result in the top and bottom of the range of all classifications represented by the Association being 2% higher. All employees will receive a 2% base pay increase. Salary ranges for classifications represented by the Association as of the effective date of the wage increase in this Section 9.1 are set forth in Exhibit A and shall remain in effect during the term of this Agreement.~~Salary ranges for classifications represented by the Association as of the effective date of this Agreement and set forth in Exhibit A shall remain in effect during the term of this Agreement.~~
- 9.2 The wage increase in Section 9.1 does not preclude any employee merit increases in accordance with the Management Performance Program in Article 10 of this Agreement.~~There shall be no general wage increases (or Cost of Living Adjustments) during the term of this Agreement.~~

¹ With regard to the increase in salary ranges and base pay, the actual increase may be slightly higher or slightly lower than 2% due to the rounding of numbers when performing the calculations.

UNION PROPOSAL – AGREEMENT CONDITIONS

City Counterproposal:

ARTICLE 4 AGREEMENT CONDITIONS

4.1.3 Retiree Healthcare Reopener. Notwithstanding any other provision of this Agreement, the parties agree to meet and confer over retiree healthcare benefits and funding upon request of either party, ~~but no earlier than January 1, 2014.~~ This may include but is not limited to alternatives to reduce the unfunded liability and options for current employees that comply with IRS regulations. The obligation to meet and confer under this Subsection 4.1.3 is subject to the following conditions.

- If the Association is participating in the Retiree Healthcare Solutions Working Group established in the side letter agreement entitled "Retiree Healthcare Stakeholder Solutions Working Group And Negotiations" ("Side Letter Agreement"), which is attached as Exhibit A, the parties shall not meet and confer before the January 1, 2014 date set forth in the Side Letter Agreement or any extension of that date to which the parties may agree in accordance with the Side Letter Agreement.
- If the Association withdraws from participation in the Retiree Healthcare Solutions Working Group, then the Association and City may meet and confer at any time subsequent to such withdrawal.

Negotiations between the City and the Association shall commence in accordance with the conditions of this Subsection 4.1.3 within 14 days upon notice of either party, ~~but no earlier than January 1, 2014.~~ The City and the Association shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply.

2013 CITY OF SAN JOSE – ALP NEGOTIATIONS

UNION PROPOSAL – RETIREE HEALTHCARE

CITY COUNTERPROPOSAL

ARTICLE 15 RETIREE HEALTHCARE

15.10 Employees hired into full-time benefited positions on or after the first payperiod following the effective date of the ordinance implementing this provision ("Effective Date") will not participate in or be eligible for the defined benefit retiree healthcare program. The City will pay the unfunded liability contribution that these employees and the City would have otherwise paid had they gone into the retiree healthcare defined benefit program. By agreeing to this provision, neither the City nor the Association have committed to closing the retiree healthcare plan.

Side Letter Agreement

BETWEEN
THE CITY OF SAN JOSE
AND
THE ASSOCIATION OF LEGAL PROFESSIONALS OF SAN JOSE (ALP)

Retiree Healthcare

Section 15.8 of the Memorandum of Agreement between the City of San Jose ("City") and the Association of Legal Professionals of San Jose ("ALP") provides for the City to indemnify any employee as to any IRS liability arising under the circumstances specified therein. ALP raised an issue regarding the City also indemnifying employees for State tax liability. ALP raised this issue after the City had negotiated the indemnity provision with the Federated bargaining units.

The City is open to continuing to discuss the issue raised by ALP with all of the Federated bargaining units since there is time prior to employee contributions going into the 115 trust. The City and the bargaining units will meet in August 2013, and if an agreement is reached on this issue, it will be brought forth as a modification to the agreements reached regarding retiree healthcare.

FOR THE CITY:

Jennifer Schembri 8/1/13
Jennifer Schembri Date
Deputy Director of Employee Relations

FOR ALP:

Glenn Schwarzbach 8-1-2013
Glenn Schwarzbach Date
ALP

Jennifer Pousho 8/1/2013
Jennifer Pousho Date
ALP Vice President

CITY PROPOSAL – SICK LEAVE PAYOUT

Proposed Language:

ARTICLE 31 SICK LEAVE PAYOUT

31.1 Members of the Federated City Employees' Retirement System hired on or before September 29, 2012, who retire with at least fifteen (15) years of service are eligible to receive, upon retirement, payout for a portion of their unused earned sick leave at the rate of:

Accrued Sick Leave Hours	Sick Leave Payout
0 – 399 Hours	50% of final hourly rate
400 – 799 Hours	60% of final hourly rate
800 – 1,200 Hours	75% of final hourly rate

~~If employee's balance is greater than 1,200 hours, employee is also eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours that is earned but unused during the two (2) years prior to retirement.~~

31.2 Effective June 22, 2013, for purposes of sick leave payout, an employee's sick leave balance and hourly rate shall be frozen. This means that an employee will receive no more in sick leave payout after having met the requirements contained herein than they would have been entitled to on June 22, 2013. Any sick leave usage after June 22, 2013, will come first from the sick leave balance accrued after June 22, 2013. An employee will continue to accrue sick leave after June 22, 2013, but it may not be used for sick leave payout purposes.

For example, if an employee's hourly rate is \$40 and their sick leave balance is 1000 hours on June 22, 2013, if they meet eligibility requirements, they shall receive payout of their sick leave balance at the time of retirement using the formula above, but no more than 1000 hours and at an hourly rate of no more than \$40. This will occur even if the employee has subsequently earned more than 1000 hours in sick leave or received a pay increase so that their hourly rate is higher than \$40. In this example, if the employee does not have available sick leave to use that was accrued after June 22, 2013, and uses sick leave and reduces their sick leave balance on June 22, 2013, to 800 hours, they will only be entitled to a sick leave payout of 800 hours, regardless of any sick leave accrued after June 22, 2013. This means that if sick leave payout hours are reduced by usage, they are not able to be reestablished in the sick leave balance subject to payout.

31.3 If an employee's sick leave balance as of June 22, 2013, is greater than 1,200 hours, the employee may also be eligible for a payout of 75% of the value of sick leave in excess of 1,200 hours earned prior to June 23, 2013, but unused during the two (2) years prior to retirement. In order to receive a payout of hours greater than 1,200, the sick leave hours must be earned prior to June 23, 2013, and unused in the prior two (2) years to retirement. All sick leave hours will be paid out at the employee's hourly rate as of June 22, 2013. No employee will be eligible for a sick leave payout over 1,200 hours after June 22, 2015.

For example, if an eligible employee retires on June 22, 2014 (one year after the sick leave payout was frozen), the employee would receive a payout of 75% of the sick leave earned but unused from June 22, 2012, to June 22, 2013. The employee would only receive one year of payment because, during the second year period prior to retirement (June 23, 2013 – June 22, 2014), the employee would not have earned any sick leave eligible for payout.

31.4 Employees hired on or after September 30, 2012, shall not be eligible for any sick leave payout.

31.35 Part-time and temporary employees **are not eligible** for this benefit.

31.6 The provisions of this Article 31 acknowledge the court's decision in *Lorie Deisenroth vs. City of San Jose* (Case No. 1-12-CV-224197).

31.6.1 Agreement to the changes to Sick Leave Payout in this Article 31 shall not be considered a waiver by the City, the Association or the employees represented by the Association, of any rights or assertions each may have regarding any issue related to Sick Leave Payout, including but not limited to any rights or assertions related to any vested rights employees may or may not have related to Sick Leave Payout as modified herein and/or before such modification.

31.6.2 Nothing in this Section is intended to expand either party's rights, which each may have, regarding Sick Leave Payout.

CITY PROPOSAL – VISION CARE

CITY COUNTERPROPOSAL

ARTICLE 23* VISION CARE

Effective December 22, 2013, the City will contribute towards vision care benefits for eligible full-time employees up to \$16.00 per month (\$8.00 for 24 bi-weekly pay periods) or the cost of the premium, whichever is less, for coverage under a vision plan sponsored by the City. The employee shall pay the difference between the City contribution and the total premium of the vision care plan selected by the employee.

* Subsequent Articles in the MOA between the City and ALP shall be renumbered accordingly.

Side Letter Agreement

BETWEEN
THE CITY OF SAN JOSE
AND
THE ASSOCIATION OF LEGAL PROFESSIONALS OF SAN JOSE (ALP)

Mobile Technologies

Representatives of the City Attorney's Office management team will meet with representatives of ALP in a labor management committee (LMC) for the purpose of discussing the need for increasing access of ALP represented employees to City provided electronic devices to address the concerns identified by ALP. LMCs are not authorized to meet and confer, to create contractual obligations, to modify the Memorandum of Agreement, or to authorize any practice in conflict with existing contracts, rules, City policies, or the City Attorney's discretion.

FOR THE CITY:

Jennifer Schembri 8/1/13
Jennifer Schembri Date
Deputy Director of Employee Relations

FOR ALP:

Glenn Schwarzbach 8-1-2013
Glenn Schwarzbach Date
ALP

Jennifer Pousho 8/1/2013
Jennifer Pousho Date
ALP Vice President